Mr. Dave White Canton Union District Schools 20 West Walnut Street Canton, Illinois 61520

RF.

9T Rider 11 Rate Option

Eastview and Westview Schools

Dear Mr. White:

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1-22-02 Reporter <u>CB</u>



This letter is in regard to your request for rate alternatives available to the Eastview and Westview schools in Canton. The most viable rate alternative available for your consideration is to switch to our bundled rate 9T rider 11, which provides a reduction in billing demand (whichever is less) equal to 50% of the billing demand or connected electric space heating load for each of the 6 winter months beginning with the November billing. In a previous correspondence to you, I developed several rate comparisons to your existing rate 6T and the alternative rate 9T rider 11 under various operating scenarios. Please refer to those comparisons as you consider the following possibility.

After August 24th, once we have had an opportunity to confirmed the rate 6T billing demand for each of the schools looking forward, I can provide you with a rate 6T to rate 9T rider 11 comparison based on historical usage for each of the schools for your evaluation. If a comparison for either of the schools indicates one or both of these accounts could save money by switching to rate 9T rider 11 beginning with the November billing period (when the maximum benefits of the rider 11 adjustment to billing demand becomes effective) you could request a rate change. Once either or both of these accounts switch to rate 9T rider 11, the school must remain on this bundled tariff for a minimum one year term. If over the summer of 2002, either one or both of the schools are successful at minimizing the summer billing demand in such a manner that rate 6T again becomes the rate of choice, then you could switch either one or both of these accounts back to rate 6T anytime after the October billing period of 2002 that you judge would be most beneficial to the school district (that might not occur because of the rider 11 adjustments to billing demand until after the April billing of the following year). Once an account is switched back to rate 6T, it would need to remain on rate 6T for a minimum one year term. This option is the one that Ray Thompson, Benton and Associates, explored with you earlier.

Please review this letter along with the previous rate comparisons as you consider which avenue you deem best for the school district. I encourage you to make whatever effort you believe prudent to limit the rate 6T billing demand once school starts until after August 24th when the summer billing demand period ends. You have indicated in prior conversations that you are knowledgeable from past experience on what steps are most appropriate at successfully managing billing demand. Should you have additional questions or concerns in regard to this issue, please do not hesitate to contact me at (217) 323-6436.

Sincerely

xc:

Chris D. Scott Electrical Engineer

Joint Exhibit No. 6

File: Canton Schools Letter 08092001